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16 January 1957

**MEMORANDUM OF MEETING OF HOUSE ARMED SERVICES
SUBCOMMITTEE**

1. The Director appeared today before the CIA Subcommittee of the House Armed Services Committee. Members present were: Chairman Vinson and Messrs. Durham, Brooks, Arends, Cole and Gavin, together with Chief Counsel Smart. The Director was accompanied by General Cabell and Messrs. Amory, White and Paul.
2. The Chairman started the meeting by announcing his strong opposition to the Resolutions for a Joint Committee, 15 of which had been introduced in the House since the 85th Congress convened. He said that he had sent letters to Speaker Rayburn, Joe Martin, John McCormack, Charlie Halleck and Chairman Smith of the Rules Committee, making his position clear and offering to testify before the Rules Committee against the bills. The Chairman indicated that he hoped that the entire Subcommittee would actively oppose these Resolutions.
3. Mr. Cole suggested that perhaps the Subcommittee should meet more often. The Chairman agreed, and instructed Mr. Smart to arrange for meetings at least once a month, and more often if the members or the Director had matters of importance to discuss.
4. The first item of the Director's briefing was the budget. He explained, among other things, that the FY/58 and the FY/57 operating budgets were virtually identical, but that the amount of new money requested [REDACTED] less than the amount of new money requested last year. The members expressed some interest in where our funds were located. The Director stated that [REDACTED] and the Director, supported by the Chairman, explained to him the reasons why secrecy was essential as to the amount of money spent by this Agency.

During the course of the budget discussion, Mr. Cole asked the Director whether our intelligence service was more extensive than the British. The Director said we did not know the exact size of the British intelligence operation, but that he guessed ours was somewhat larger. He also explained our relationship and comparability with the various wings of the British intelligence service.

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5. The next item was the building. The Director gave the status of the building project, and indicated that there was no possibility that a building could be constructed to house all CIA headquarters personnel with the funds presently appropriated. He indicated that the short-fall for a building which would house [redacted] persons was in the neighborhood of \$10,000,000. The Chairman stated that he thought it was foolish not to provide sufficient funds for a building which would house all CIA people, and indicated that he felt we should have additional authorization and appropriation as necessary. The Director stated that he would like to defer any specific proposal at this time, pending further discussions within the Executive branch and with the leadership of other Committees. Mr. Vinsen indicated that he would discuss this building problem with Senator Hayden.

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6. The next item was personnel. The Director gave the numbers of Agency personnel in the U. S. and abroad, totaling some [redacted] in response to questioning from Mr. Cole, the Director and Colonel White indicated that, counting employees of proprietaries and other organizations which the Agency supports, [redacted] would have to be added. The Director explained that although CIA was exempted from the Classification Act, the Agency generally observed the GS rating system applicable to the regular Civil Service. He explained the nature of the Agency's relationships with the FBI. He explained the executive pay raises which had been put into effect late last summer. In the course of an exchange with Mr. Cole, the Director also explained the financial relationship between CIA and [redacted]

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7. The rest of the meeting was devoted to a discussion of the world situation. The Director dealt with the problems of the Soviet Union at home and in the European Satellite areas. He described the situation in Poland and East Germany as a potentially dangerous one. He discussed the U. S. intelligence performance in the Satellite and Middle East crises. With respect to the latter, he explained what the President meant when he said he hadn't been informed about the Israeli-UK and French attacks in the Sinai-Suez area. The Director stated that he felt the President's new policy would be well received in the Middle East, except possibly in Egypt and Syria. With respect to Egypt, he noted that Nasser had not taken any violent exception to this policy as yet, possibly because he potentially had a lot to lose if he disassociated himself from the objectives of the President's plan. There was quite a bit of discussion of Nasser. The Director stated his belief that Nasser was in complete charge of the Egyptian situation at the moment, but that a situation could arise, probably within the / rmy, which might upset him.

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8. The Director briefly covered the situation in other parts of the world. He identified Laos as a source of considerable anxiety. He indicated his concern over the situation in Bolivia, and pointed to the possibility of trouble in other parts of Latin America, such as Guatemala. He passed on to the Committee the prediction of certain French military people that there might be considerable trouble in Algeria while this item is being debated in the General Assembly.

9. The Chairman indicated that he would like to have another meeting "before the end of the month." No date was set.

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Legislative Counsel

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